



**STATE OF DELAWARE
DELAWARE HEALTH AND SOCIAL SERVICES
DIVISION OF MEDICAID & MEDICAL ASSISTANCE
POLICY, PLANNING & QUALITY**

MEMORANDUM

REPLY TO
ATTN. OF: Administrative Notice DMMA-06-2015

TO: All DMMA and DSS Staff

DATE: March 30, 2015

SUBJECT: Household Composition for Medicaid Eligibility Groups and the Delaware Healthy Children Program Subject to Modified Adjusted Gross Income Methodology

BACKGROUND

The Affordable Care Act (ACA) expanded Medicaid eligibility, consolidated existing eligibility categories, and changed how financial eligibility is determined for certain Medicaid eligibility groups and the Delaware Healthy Children Program (DHCP). Effective January 1, 2014, financial eligibility is based on modified adjusted gross income (MAGI) methods, as defined in the Internal Revenue Code. The move to MAGI-based methodology resulted in some changes from previous rules related to calculating family size and household income. The MAGI-based methodology largely aligned financial eligibility determinations with the standards used to determine eligibility for advance payments of premium tax credits (APTC) and cost-sharing reductions (CSR) through the Federally Facilitated Marketplace (FFM).

DISCUSSION

Prior to the ACA, household composition, assistance groups, and budget units were based on factors such as age and household relationships.

With the implementation of the ACA, household composition is now based on tax households, with certain exceptions. Self-attestation is accepted for tax filing status and tax dependency.

The following definitions apply:

“Child” means a natural or biological, adopted, or step-child.

“Parent” means a natural or biological, adopted, or step-parent.

“Sibling” means a natural or biological, adopted, half, or step-sibling.

I. Taxpayers not claimed as a tax dependent

For an individual who expects to file a tax return for the current taxable year and who does not expect to be claimed as a tax dependent by another taxpayer, the household includes:

- the taxpayer;
- a spouse living with the taxpayer; and
- all persons whom the taxpayer expects to claim as a tax dependent.

II. Tax dependents

For an individual who expects to be claimed as a tax dependent by another taxpayer for the current taxable year, the household is the same as the taxpayer's household unless the individual meets any of the following exceptions:

- the individual expects to be claimed as a tax dependent by someone other than a spouse or parent
- the individual is a child under age 19 who lives with both parents, but the parents do not expect to file a joint tax return
- the individual is a child under age 19 who expects to be claimed as a tax dependent by a non-custodial parent.

For an individual who meets any of the exceptions above, the household is determined according to the rule described in III.

III. Individuals who do not file a tax return and are not claimed as a tax dependent

For an individual who does not expect to file a tax return and does not expect to be claimed as a tax dependent for the current taxable year, the household includes the following persons who live with the individual:

- the individual's spouse;
- the individual's children under age 19; and
- for individuals under age 19 the individual's parents and any siblings under age 19

IV. Married Couples

For married couples, each spouse is included in the household of the other spouse if they are living together or if they expect to file a joint tax return.

ACTION REQUIRED

Staff who process eligibility determinations for MAGI-based Medicaid groups and the DHCP must review and apply the following policy to ensure compliance with Federal and State regulations:

DSSM [16400](#) *Household Composition*

DSSM [16400.1](#) *Basic rule for taxpayer not claimed as a tax dependent*

DSSM [16400.2](#) *Basic rule for tax dependents*

DSSM [16400.3](#) *Rule for individuals who neither file a tax return nor are claimed as a tax dependent*

DSSM [16400.4](#) *Rule for married couples*

DIRECT INQUIRIES TO

Jill Williams
(302)255-9609

March 30, 2015
DATE

Glyne Williams
Glyne Williams, Chief
Policy, Planning & Quality
Division of Medicaid & Medical Assistance